



Virtual Working Programme in Dubai: 5 Facts about the New Visa Option

After the introduction of the Retirement Visa, about which we informed you in previous circulars, the Department of Tourism and Commerce Marketing ("Dubai Tourism") in cooperation with the General Directorate of Residency and Foreigners Affairs, has launched another type of residence permit. The Virtual Working Programme ("Programme") allows both foreign employees and self-employed individuals whose companies are based outside the United Arab Emirates ("UAE") to live in the UAE for at least one year and conduct their usual work from the UAE, provided certain conditions are met.

Fact 1

Foreign employees and self-employed individuals are eligible to make an application

An employee who wishes to make use of the Programme must be employed by an employer outside the UAE. A local employment contract is not required.

Individuals who run a business abroad can also take up residence in the UAE through the Programme for an initial period of one year.

It should be noted that the Programme only allows the pursuit of such work which individuals who entered the UAE on a tourist visa would also be allowed to conduct in the UAE. For example, employees of foreign companies are not permitted to perform maintenance work in the UAE. This activity would still require an employment contract with a locally-based employer.

Fact 2

A minimum monthly salary is required

An employee must earn a net salary of at least USD 5,000 per month or the equivalent in another currency. The monthly earnings have to be substantiated by submitting the most recent pay slip and bank statements for the last three months. In addition, an employment contract or proof of existence of an employment relationship covering at least the period of the planned stay in the UAE must be provided. In case the documents are issued in a language other than English or Arabic, they have to be translated accordingly.

Self-employed individuals are required to document that they have owned the foreign company for at least one year. Additionally, an average monthly net income of USD 5,000 or the equivalent in another currency must be proven by submitting bank statements for the last three months. These documents have to be translated into English or Arabic if drawn up in another language.

Fact 3

The Programme is an affordable way to live in the UAE for a year

The fees amount to USD 611 per year. This includes the application and processing charges as well as the costs for the medical test and the issuance of the so-called Emirates ID Card.

The residence permit issued on the basis of the Programme is initially valid for one year. It can be extended at the end of its validity. In order to do so, the application process must be undertaken once again and the relevant documents have to be submitted in an updated form.

Fact 4

A local health insurance is required

A local health insurance is already required when applying for the Programme. An international health insurance that covers the UAE may also be accepted by the concerned authorities.

Fact 5

The Programme enables the applicant to participate in everyday life

Apart from the residence permit, the applicant receives an Emirates ID Card through the Programme.

The Emirates ID Card enables the applicant to rent an apartment in the UAE and conclude utility contracts, such as for electricity, water and telecommunication. There is also the possibility to open a local bank account and attend school for the applicant's children.

Finally, family members can be sponsored. However, the Programme does not allow for the direct hiring of domestic workers. The employment would have to be arranged through a so-called Tadbeer Centre.

Conclusion

The Virtual Working Programme enables foreign employees and self-employed individuals to move their place of residence to the UAE for at least one year in a comparatively uncomplicated manner. On the one hand, this can be of interest for someone who would like to work from home from another location for a certain period of time. On the other hand, the stay can serve to find out for oneself whether a permanent relocation to the UAE would be an option in the future.

Before submitting an application for the Programme, however, potential tax implications of taking up temporary residence in the UAE should be clarified. Although Dubai Tourism advertises the UAE as being tax-free, the applicant may nevertheless remain subject to taxation in his home country.



Do you have questions? – We would be glad to answer them!

From our office located in the heart of Dubai, our team of German attorneys has been advising small and medium-sized companies, corporations and individuals on the laws of the United Arab Emirates for more than 15 years. Our areas of expertise include corporate law (in particular business set-up), commercial agency law, employment law as well as tenancy and real estate law. We would be happy to attend to your questions as well. Contact us!

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